

**General Assembly**

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**Preparatory Committee for the International
Conference on Financing for Development****Third session**

2-8 May and one full week in October/November 2001

Item 1 of the provisional agenda*

Adoption of the agenda and other organizational matters

Third report of the Bureau of the Committee

1. Since the submission of its second report on 30 May 2000 (A/AC/257/8), the Bureau of the Preparatory Committee for the International Conference on Financing for Development has continued to carry out to the best of its abilities the responsibilities given to it by the Committee and General Assembly.

2. The General Assembly, in paragraph 10 of its resolution 54/196, requested the Bureau to submit proposals on the modalities of participation of all relevant stakeholders in both the substantive preparatory process and the high-level intergovernmental event. The present report supplements the recommendations continued in the Bureau's first and second reports (A/AC.257/6 and A/AC.257/8).

3. The General Assembly, in paragraph 4 of its resolution 54/279, requested the Bureau to continue consultations with the major institutional stakeholders on modalities of their participation, and to report on proposals and recommendations thereon, as well as possible proposals for additional modalities of participation of the private sector.

4. The General Assembly, in paragraph 7 of its resolution 55/245, similarly requested the Bureau to explore ways and means to deepen the efforts of all relevant stakeholders, including at the regional level, as

well as by civil society and the business sector, in support of the financing for development preparatory process, within the framework of its substantive agenda, and to submit proposals for consideration and decision by the Committee.

5. The Committee, in its previous decisions, also requested the Bureau to make recommendations on the form, venue, timing, duration and format of the final event and on the programme of work of the Committee.

6. The present report thus addresses modalities for participation of key institutional and non-institutional stakeholders, arrangements for the Conference, and other organizational matters. As the Conference is less than one year away, the Bureau includes in the present report a series of conference-related issues and suggestions for consideration by the Committee.

**I. Modalities for the participation of
key stakeholders****Engagement with the World Bank and the
International Monetary Fund**

7. The Committee has already approved the modalities for the participation of the World Bank, as agreed to with its Executive Board (see General Assembly resolution 54/279).

* A/AC.257/21.



8. On 5 February 2001, the Bureau met in Washington, D.C., with the Executive Board of the World Bank, following up on its first meeting of this type last year. The Co-Chairs have already reported orally to the Committee at its second session on the issues covered in the meeting with the Executive Board of the Bank, which was hailed as very successful and useful by participants on both sides.

9. On 6 February 2001, the Bureau met with the Executive Board of the International Monetary Fund (IMF) in Washington, D.C., for the first time. The Co-Chairs submitted a report on the meeting to the Committee at its second session. In response to a letter of appreciation by the Co-Chairs, the Managing Director of IMF in a reply dated 15 March 2001, shared a positive evaluation of the meeting held with the Bureau, and suggested that a subsequent meeting be considered. In his letter, the Managing Director also recalled that IMF had been represented by senior staff members at recent meetings of the Committee, and reiterated that IMF management and staff intend to continue to play an active role in the financing for development preparatory process.

10. In the light of the ongoing consultations with both the World Bank and IMF, it has been suggested that future consultations of the Bureau with the respective Executive Boards have a more flexible scope, going beyond questions related to the modality of participation to include the possible discussion of selected substantive issues drawn from the financing for development agenda. The Bureau is of the view that such an approach might be beneficial to maintaining the high quality of the dialogue with the Executive Boards of both the World Bank and IMF.

Engagement with the World Trade Organization

11. The Bureau travelled to Geneva for a meeting with the World Trade Organization (WTO) Committee on Trade and Development on 9 April 2001. That Committee had earlier been designated by the WTO General Council to be the WTO interlocutor with the financing for development process at the intergovernmental level.

12. At the meeting, the Co-Chair and other members of the Bureau expressed appreciation for the participation of WTO in the financing for development process and underlined the high value attached by the

Preparatory Committee to further strengthening WTO engagement. Members of the WTO Committee indicated that it was not in a position at that time to make a definitive determination on the most appropriate modalities for its further engagement with the financing for development process.

13. The Bureau was also informed that the WTO Committee had been working for some months on a statement to convey to the Preparatory Committee as a contribution of the WTO membership to the preparations for the Conference but had not yet been able to finalize the corresponding text. Members of the WTO Committee suggested that once they had completed the WTO statement, they would be better able to address questions of the modalities for enhanced WTO participation.

14. The Chairman of the WTO Committee, in summing up, underlined that the Bureau had sent a strong message about its desire to deepen WTO engagement in the financing for development process and that the message had been received.

15. Earlier the same day, the Bureau had met with the Director General of WTO, the Chairman of the General Council and other senior officials. They had a frank and forthcoming exchange on the importance of WTO involvement in the financing for development process and more generally on the value of enhanced cooperation across multilateral institutions in order to strengthen international economic policy coherence and effectiveness. The Bureau was also informed about issues before WTO, which were subsequently presented in more detail in a briefing segment during the meeting with the WTO Committee on Trade and Development.

Engagement with regional stakeholders

16. In the second half of 2000, the regional commissions, with the support of the United Nations Conference on Trade and Agreement (UNCTAD) and their respective regional development banks, convened consultations on aspects contained in the financing for development agenda. The reports of these regional meetings (A/AC.257/13-17) have made a positive contribution to the intergovernmental process. The Bureau recommends that the Committee encourage the continued participation of the regional commissions and the regional development banks in the Conference and its preparatory processes.

Engagement with the private sector

17. The business hearings in December 2000 provided a cross-section of views from business sector representatives relating to the substantive themes within the financing for development agenda (A/AC.257/19). This was helpful in that it provided an additional substantive input, from a different angle, for delegates to consider in their preparations for the substantive session of the Committee. Engaging the business sector beyond the hearings phase would ensure their integration in the process of considering in greater depth the substantive policy issues before the Committee and create the conditions for their involvement in the implementation of the outcomes relating to the business community. To give this matter appropriate consideration, the Bureau set up a special task force, whose interim report was circulated to missions on 21 March 2000 and which is subject to approval by the Committee.

18. As indicated in the task force report, in order to engage the business sector in a substantive manner certain issues need to be addressed, including the substantive topics requiring business sector perspectives, the methods of identifying and approaching relevant representatives of the business community, the appropriate modalities for engagement and the next practical steps forward.

19. Companies with significant business interests and those considering investments in developing countries (both multinationals and local companies, including small and medium-sized enterprises) could be considered for engagement. The need to ensure geographical distribution as well as a gender perspective should also be kept in mind so as to provide a diversity of perspectives. Where individuals from the business sector are invited to participate in round tables, workshops and panels, they should have hands-on expertise about relevant issues — though they need not necessarily be the heads or Chairpersons of companies but rather professionals who are both influential and senior and able to provide an innovative input into our substantive deliberations.

20. Given the heterogeneity of the business sector and the difficulties involved in identifying the best representatives to engage with, it is useful to have appropriate interlocutors representative of different segments of the business community. Following this approach, as suggested in the task force report, the

Bureau has extended invitations to a first set of interlocutors (including representatives of international labour groupings) to participate in an informal dialogue with members of the Committee on 2 May 2001, from 2 to 4 p.m.

21. It seems that, based on previous experience, holding focused and interactive round-table sessions, workshops and seminars (including those that bring together people from different backgrounds — business sector, civil society, academia and Governments) offer a useful modality for engagement with the business community. Round tables could be held during inter-sessional periods as well as during the Conference itself.

22. Panels, though less intensive than round-table meetings and workshops, could also be appropriate as a forum, especially for presenting important business community findings and ideas. Furthermore, entities like the World Economic Forum or the International Chamber of Commerce, from their internal deliberations, could produce papers containing their contributions on substantive issues (if required, these could then be presented at a panel). Similarly, surveys on business sector opinions conducted by the above interlocutors could be supplied to the Committee and become an important substantive contribution.

23. The World Economic Forum and other such bodies should be encouraged to use their processes to generate outcomes related to substantive issues identified by the Committee. During its visit to Geneva, the Bureau paid a visit to the headquarters of the Forum and had a very fruitful meeting with its Director for Global Issues and other senior members of its Managing Board. The idea was raised, *inter alia*, of including financing for development as one of the agenda items for the 2002 annual Forum meeting in Davos.

24. Some business organizations, including the International Chamber of Commerce, have mentioned the possibility of organizing a meeting of business leaders from around the world that could take place in conjunction with the Conference. This idea should be further developed, in collaboration with the host country. Similarly, other business sector organizations, including bodies linked with national United Nations associations, have offered to help in the organization of workshops, seminars and side events during the remainder of the preparatory process.

25. The Bureau thus recommends that the Committee, with the support of the coordinating secretariat, follow up on the interaction with interlocutors scheduled for 2 May 2001, with respect to the engagement of the private sector with the Committee and the Conference. This follow up should lead, *inter alia*, to the formulation of a work programme from May to the date of the Conference that may include round tables, workshops, seminars and panels, as indicated above.

26. With regard to accreditation modalities, the Bureau notes that the Committee has already decided that the procedure for ad hoc accreditation of business associations will be the same as for non-governmental organizations that are not in consultative status with the Economic and Social Council or its subsidiary bodies.

27. As to individual companies, on the basis of the issues to be discussed and keeping in mind the need for balanced representation, the Bureau proposes that the Committee invite individual businesses enterprises that express an interest to participate as observers in the financing for development preparatory process. Once the detailed format of the Conference is decided, the Committee may also wish to make recommendations on possible modalities for the attendance of individual corporate officials at the Conference itself.

Engagement with civil society organizations

28. At the invitation of the Ecumenical Centre of the World Council of Churches, the Bureau took advantage of its recent presence in Geneva to meet with representatives of some religious and secular non-governmental organizations based in Geneva. Expressing substantial interest in the financing for development process, NGO participants were grateful for the opportunity for a direct informal dialogue with representatives of Member States active in the financing for development process. Among the concerns of NGO participants was to strengthen the opportunities for civil society to contribute to the consultative process.

29. While in Geneva, developing country Bureau members also paid a visit to the headquarters of the South Centre.

30. As in the past, the Bureau recommends to the Committee that it accord consultative status in the financing for development process to 13 additional

NGOs that have requested it (see A/AC.257/10/Add.3).

II. International Conference on Financing for Development

31. The Government of Mexico has indicated that it anticipates announcing at the third session of the Committee the precise venue and dates for the Conference.

32. Within the next months, the Committee should thus address, in collaboration with the host country and with the support of the coordinating secretariat, this and a wide range of other organizational and procedural issues related to the holding of the Conference. Among these are the following:

(a) The nature of the final outcome of the Conference (which is, of course, related to the substantive aspects);

(b) The Conference rules of procedure;

(c) Arrangements for the participation of Ministers of Foreign Affairs, Finance, Trade, Development and any others;

(d) The role, if any, of high-level round tables and their potential composition;

(e) Special modalities for participation in the Conference of the major institutional stakeholders, other United Nations agencies, other intergovernmental organizations and other intergovernmental organizations which do not have official observer status in the General Assembly, including relevant regional and subregional economic, financial, trade and monetary bodies;

(f) Modalities for the participation in the Conference of representatives of the business community and civil society, including through special side-events.

Media outreach

33. As recommended initially by the Ad Hoc Working Group, the Bureau considers that special efforts should be made to engage all forms of media, particularly from developing countries, in the preparatory process and the Conference.

III. Other organizational matters

Engagement with national ministries of finance, trade and development

34. The General Assembly has recognized the crucial importance to the International Conference on Financing for Development of the active participation in capitals and in official meetings of national ministries of finance, trade and development. The Committee was pleased at the diversity of ministries that participated in the second session of the Committee, and stressed that the financing for development process must continue to increase the engagement of all relevant ministries in the remaining preparatory committee meetings and in the Conference. The financing for development coordinating secretariat has been requested to provide regular online briefings to capitals, and has begun to apply extrabudgetary resources to facilitate the participation in the preparatory process of a wider range of officials of national ministries of developing and transition economy countries.

Financing for development trust fund

35. The Bureau joins the Secretary-General in extending its highest appreciation to the Governments of Italy, the Philippines, Thailand, Malaysia, the United Kingdom, Norway, Finland, Sweden and Switzerland for their generous contributions to the financing for development trust fund. As indicated above, the availability of these extrabudgetary resources has allowed the establishment of a mechanism for supporting the travel of delegates from developing and transition economy countries to participate in Committee sessions and to complement the limited budgetary resources available for many financing for development-related programmes and activities.

Financing for development coordinating secretariat

36. The Bureau expresses its appreciation to the Secretary-General, the Department of Economic and Social Affairs and the financing for development coordinating secretariat for the support they have provided to the Bureau and the Committee to date. As we approach the Conference, the Secretary-General should be encouraged to ensure, as stipulated in General Assembly resolution 54/196, that the financing for development coordinating secretariat is

commensurate with the level of the event, and to provide it with adequate staff and all other needed resources. Close collaboration should be implemented between the United Nations Secretariat and the authorities of the host country to ensure the successful realization of the Conference.

37. The major institutional stakeholders should be invited to continue to support the financing for development preparatory process in every possible way, including technical and organizational support to the secretariat and direct participation in the discussions of the Committee.